

TORONTO STOCK EXCHANGE

AMENDING FILING STATEMENT NO. 240.  
FILED, SEPTEMBER 24th, 1964.

KEY ANACON MINES LIMITED

Full corporate name of Company

AMENDING FILING STATEMENT

(To be filed with respect to any change in a Filing Statement filed within a period of six months)

To be read in conjunction with Filing Statement No.1024 dated January 20, 1964

Brief statement of the material change in the affairs of the company in respect of which this amending filing statement is filed.	(a) Creation of the Company's 6% Convertible Debentures in the aggregate principal amount of \$900,000 and issue and sale thereof. (b) Proposed re-opening of New Larder "U" property.
4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 6,000,000 shares, par value 20 cents each. Issued: 4,623,254 shares, all as fully paid.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	<p>By agreement dated July 7, 1964, and subject to the due creation of such securities by the Company, and to compliance with all terms and conditions of the agreement (which conditions included the acceptance for filing by the Toronto Stock Exchange, the Vancouver Stock Exchange and the Canadian Stock Exchange of notice of the agreement) Kent Lines, Limited, of St. John, New Brunswick, agreed to purchase at par on August 15, 1964, \$200,000 principal amount of the Company's 6% convertible debentures and the Company agreed to grant to Kent Lines, Limited the right to purchase an additional \$1,000,000 of such debentures. The Toronto Stock Exchange, as a condition of its acceptance of notice of the transaction has required that the option clauses be deleted and that the total proposed issue of debentures be firmly contracted for. The Company and the said Kent Lines, Limited have therefore entered into an agreement dated August 10, 1964, designed to comply with the suggestions of the Toronto Stock Exchange, and which later agreement supplants the previous arrangement between the parties.</p> <p>The agreement of August 10, 1964, provides as follows: Subject to compliance with all terms and conditions of the agreement, Kent Lines, Limited has agreed to purchase at par \$900,000 principal amount of the Company's 6% convertible debentures (the "debentures"). The debentures will have the following characteristics, and will be issued on the following terms: (a) they will be issued pursuant to and secured by a trust deed between the Company and Guaranty Trust Company of Canada; (b) they will be direct obligations of the Company, will be secured by a first fixed and specific mortgage, pledge and charge on the New Larder "U" property of the Company at Bathurst, New Brunswick, and by a floating charge on all of the Company's other assets and undertaking; they will be dated as of October 15, 1964, will mature in five equal annual consecutive instalments of \$180,000 each on October 15, in each of the years 1966 to 1970 inclusive; they will be convertible up to maturity into shares of the Company at the rate of one share for every \$1 principal amount of debentures; will bear interest at 6% per annum, payable April 15 and October 15; (c) so long as any of the debentures are outstanding the Company will not issue or allot any shares (except for conversion of debentures) nor alter its structure, nor sell assets in excess of \$100,000 in any calendar year, without consent of the majority of the debenture holders; (d) payment for the debentures will be made to the Company as required by it, the first instalment of \$400,000 will be paid on October 15, 1964, and the balance will be paid in instalments not to exceed \$100,000 each within 30 days of demand by the Company, provided that all of the debentures shall be delivered and paid for not later than June 1, 1965; (e) the money realized by the Company from the sale of debentures shall be used in connection with the development and bringing into production of the New Larder "U" mine and the Company will consult with the underwriter regarding its plans therefor; (f) the underwriter will not offer in public distribution any shares resulting from conversion of debentures prior to 1966, without prior consent of the Company and approval of appropriate stock exchanges, securities commissions and other agencies.</p>



# FINANCIAL STATEMENTS

KEY ANACON MINES LIMITED  
(Incorporated under the Laws of Ontario)  
BALANCE SHEET - AUGUST 31st, 1964

A S S E T S		L I A B I L I T I E S	
CURRENT ASSETS:		CURRENT LIABILITIES:	
Cash	38,358.35	Accounts payable and accrued liabilities	11,372.91
Accounts receivable	4,840.00		
Prepaid expenses	971.90	BANK LOAN: Secured	3,375,000.00
	44,170.25		
OTHER ASSETS:		S H A R E H O L D E R S '   E Q U I T Y	
Investments:		CAPITAL STOCK:	
Shares of other mining companies having a quoted market value, at cost (Quoted market value - \$9,809,062.50)	3,310,705.54	Authorized: 6,000,000 shares of a par value of .20¢ each	
Other shares of mining companies, at cost	35,115.00	Issued: 4,623,254 shares	924,650.80
Stores and supplies, at cost	16,706.12	Add: Premium thereon	924,650.80
	3,362,526.66		1,849,301.60
MINING PROPERTIES, BUILDINGS, PLANT AND EQUIPMENT, DEFERRED DEVELOPMENT AND ADMINISTRATIVE EXPENSES:		CAPITAL SURPLUS:	
Mining properties	225,154.95	Balance - January 1st, 1964	2,497,454.96
Buildings, plant and equipment	372,988.19	Add: Write off on Capital Stock resulting from re-issue on basis of 1 for 3	1,184,650.80
Deferred development and administrative expenses	3,879,150.72		3,682,105.76
	4,477,293.87	Deduct: Investments written off	10,000.00
	3,895.50		3,672,105.76
ORGANIZATION EXPENSE:		DEFICIT:	5,521,407.36
		Balance - January 1st, 1964	1,019,893.99
			4,501,513.37
			7,887,886.28

APPROVED ON BEHALF OF THE BOARD:

*M. J. Bayly* Director  
*E. J. Bayly* Director



KEY ANACON MINES LIMITED

SCHEDULE OF SOURCE AND APPLICATION OF FUNDS  
FOR THE PERIOD - JANUARY 1st, 1964 TO AUGUST 31st, 1964

	\$	\$
Cash balance - January 1st, 1964		7,025.64

SOURCE;

Proceeds from shares sold - (Rights Offer)	1,386,976.20	
Accounts receivable	50,485.98	
Equipment rentals	1,794.84	
Interest earned	194.99	
Sale of salvage material	<u>600.00</u>	<u>1,440,052.01</u>
		1,447,077.65

APPLICATION:

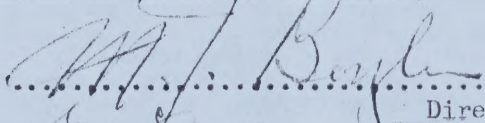
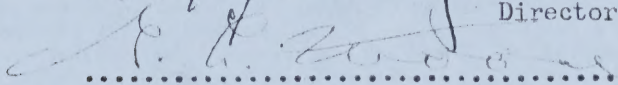
Purchase of Investments - Brunswick Mining and Smelting Corporation Limited (Rights Offer)	526,895.54	
Payment on Bank Loan	500,000.00	
Interest on Bank Loan	268,098.65	
Payment of Demand loan	20,000.00	
Accounts payable of Dec. 31st, 1963	35,782.88	
Purchase of Mining claims	100.00	
Mine overhead expense	7,037.23	
Mining licenses and fees	628.33	
Organization expense	563.00	
Administrative and general corporate expense	36,208.55	

New Larder "U" Operation:

Plant rehabilitation expense	1,682.82	
Buildings	3,182.08	
Equipment	2,722.79	
Stores - Inventories	<u>5,817.43</u>	<u>13,405.12</u>
		<u>1,408,719.30</u>

Cash balance - August 31st, 1964	\$	38,358.35
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APPROVED ON BEHALF OF THE BOARD:

 ..... Director	
 ..... Director	



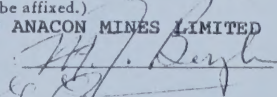
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	The Company believes that Kent Lines, Limited aforesaid, is acting on its own behalf, as the principal, with respect to the purchase of the aforesaid debentures. K.C. Irving of St. John, New Brunswick is believed to be the only person having any interest, direct or indirect in Kent Lines, Limited.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	It is proposed to use the \$900,000 to be received from the aforesaid sale of debentures to initiate the reopening of the New Larder "U" property at Bathurst, New Brunswick. The first phases of the program will include dewatering of the mine, drifting and exploratory diamond drilling, repairs to and additions to existing surface and underground equipment to the extent possible. Thereafter, continuation of the program will be based upon results obtained from the first phases of the work. It is estimated that a total expenditure of \$750,000 will be sufficient to dewater the mine, purchase additional equipment and do the necessary underground work to ready the mine for production at 500 tons per day. No part of the money which will be received from the sale of debentures will be used to repay any part of the existing bank loan, as to the principal thereof, but the Company will pay interest charges on such bank loan. The Company is permitted under its agreement with Kent Lines, Limited to use up to \$25,000 for assessment work to protect its other properties.
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	According to the records of the stock registrar and transfer agent of the Company: K.C. Irving Limited P.O. Box 1421, St. John, N.B. (beneficial owner) 1,330,799 shares Kent Lines, Limited (c/o K.C. Irving, St. John, New Brunswick, (beneficial owner) 363,510 shares Roytor & Co. No. 12 Account, c/o The Royal Bank of Canada, 155 Yonge Street, Toronto (not beneficial owner) 203,332 shares Nudulama Mines Limited Room 908, 330 Bay St., Toronto (beneficial owner) 93,332 shares Doherty, Roadhouse & McCuaig Bros., Montreal and Toronto (not beneficial owner) 65,875 shares M.J. Boylen and/or interests controlled by him beneficially owns (own) the shares registered Roytor & Co. No. 12 Account.
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	M. J. Boylen and interests controlled by him, together with K. C. Irving and Kent Lines, Limited and interests controlled by them are believed to be in a position to materially affect control of the Company by virtue of shareholdings.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	The Company has purchased at \$4 each an additional 131,666 shares in the capital of Brunswick Mining and Smelting Corporation Limited, for a total purchase price of \$526,664. In addition the Company bought 34 shares of Brunswick in the open market. The Company's total investment in shares of Brunswick is therefore now 921,700 shares, at a total cost of \$3,180,705.54. These shares have a present market value of \$8,571,810.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	The Company has completed all of the matters proposed to be carried out and done, and disclosed in Filing Statement No. 1024. No shares of the Company are in the course of primary distribution to the public.

DATED September 22, 1964


#### CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

KEY ANACON MINES LIMITED

"M.J. Boylen" Per: 

CORPORATE  
SEAL

"G.L. Moore" Per: 

#### CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)